

**STATE OF MICHIGAN  
DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
OFFICE OF FINANCIAL AND INSURANCE REGULATION**

**Before the Commissioner of the Office of Financial and Insurance Regulation**

**In the matter of:**

**Omnicare Health Plan, Inc.  
NAIC No. 12193**

**Enforcement Case No. 10-7569**

**Respondent**  
\_\_\_\_\_ /

Issued and entered  
on March 26, 2010  
by **Stephen R. Hilker**  
Chief Deputy Commissioner

**CONSENT ORDER AND STIPULATION**

**A. FINDING OF FACTS AND CONCLUSIONS OF LAW**

1. Omnicare Health Plan, Inc. ("Omnicare") is a licensed Health Maintenance Organization in the State of Michigan.
2. On December 23, 2009, Omnicare filed with the Office of Financial and Insurance Regulation ("OFIR") a provider contract with Medco Health Solutions, Inc., ("Medco").
3. OFIR was advised by Omnicare that they would begin using the Medco provider contract on January 1, 2010.
4. Omnicare knew or had reason to know that Section 3529(6) of the Insurance Code of 1956, as amended, ("Code"), MCL 500.3529(6), provides that:

(6) A health maintenance organization shall submit to the commissioner for approval standard contract formats proposed for use with its affiliated providers and any substantive changes to those contracts. The contract format or change is considered approved 30 days after filing unless approved or disapproved within the 30 days. As used in this subsection, "substantive changes to contract formats" means a change to a provider contract that alters the method of payment to a provider, alters the risk assumed by each party to the contract, or affects a provision required by law.


5. OFIR told Omnicare that they could not begin using the Medco provider contract before the provider contract had been approved by OFIR or the 30 day statutory timeframe had past.
6. Omnicare began using the Medco provider contract on January 1, 2010.
7. OFIR had not approved the Medco provider contract on January 1, 2010.
8. OFIR approved the Medco provider contract on February 5, 2010.
9. Omnicare is subject to penalty under Section 150 of the Code for violating Section 3529(6) of the Code.

**B. ORDER**

Based upon the findings of fact and conclusions of law above, and Respondents stipulation to said facts, it is hereby ORDERED that:


1. Respondent Omnicare shall immediately cease and desist from operating in a manner that violates Section 3529(6) of the Code, MCL 500.3529(6).
2. Respondent Omnicare shall pay to the State of Michigan, a civil fine of One Thousand Dollars (\$1,000.00.). Upon issuance and entry of this Order, OFIR will send an Invoice to Respondent, and Respondent shall pay the fine by the due date printed on the Invoice.

OFFICE OF FINANCIAL AND  
INSURANCE REGULATION

By:   
Stephen R. Hilker  
Chief Deputy Commissioner

**C. STIPULATION**

I have read and understand the consent order above. I agree that the Commissioner has jurisdiction and authority to issue this consent order pursuant to the Insurance Code. I waive the right to a hearing in this matter if this consent order is issued. I understand that this stipulation and consent order will be presented to the Commissioner for approval and the Commissioner may or may not issue this consent order. I waive any objection to the Commissioner deciding this case following a hearing in the event the consent order is not approved. I admit the facts set forth in the above consent order and agree to the entry of this order.



Authorized Representative of  
Omnicare Health Plan, Inc.  
NAIC No. 12193

Name & Title Beverly A. Allen, CEO

Dated: 3/24/10

The OFIR staff approves this stipulation and recommends that the Commissioner issue the above Consent Order.



William R. Peattie

Dated: 3/25/10

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